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April 6, 1994

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APR 6 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

**EX PARTE**

William F. Caton  
Acting Secretary  
Federal Communications Commission  
Mail Stop 1170  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Dear Mr. Caton:

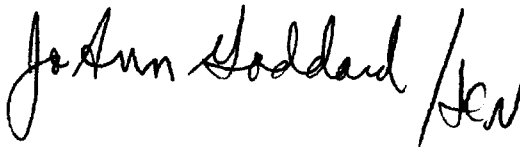
Re: Pacific Bell Data Request CC Docket 93-162

The enclosed data is provided in response to a request for additional information from Chuck Needy of the Tariff Division of the Common Carrier Bureau. Please associate this material with the above referenced proceeding.

Two copies of this notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

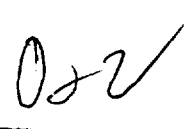
Sincerely,



Attachment

cc: Chuck Needy

No. of Copies rec'd  
List A B C D E



**FCC'S EIS OVERHEAD ANALYSIS  
WITH UPDATED COST FACTORS  
Physical Collocation**

EIS RATE ELEMENTS			DIRECT COST INCLUDES DIRECT ADMINISTRATION			DIRECT COST EXCLUDES DIRECT ADMINISTRATION			COMMENTS
			RATE TO COST RATIO	RATE	DIRECT COST	RATE TO COST RATIO	DIRECT COST	RATE ADJ FACTOR	
1	CROSS - CONNECT DS1		1.11	\$7.73	\$6.96	1.42	\$5.45		
2	CROSS - CONNECT DS1	NRC	1.22	\$180.00	\$147.25				
3	CROSS - CONNECT DS3		1.11	\$79.83	\$71.94	1.42	\$56.30		
4	CROSS - CONNECT DS3	NRC	1.22	\$180.00	\$147.25				
5	VAULT RACKING AND CABLE RISER SPACE/MO	LOW	1.07	\$20.00	\$18.65	1.19	\$16.77		1
6	VAULT RACKING AND CABLE RISER SPACE/MO	HIGH	1.08	\$210.00	\$194.53	1.26	\$187.39		1
7	CO FLOOR SPACE PER 100 SQ FT	LOW	1.12	\$728.00	\$650.55	1.41	\$517.73		2
8	CO FLOOR SPACE PER 100 SQ FT	HIGH	1.13	\$848.00	\$753.04	1.45	\$586.22		3
9	LICENSED SPACE SET UP - EXIST IRONWORK	NRC	1.05	\$16,064.00	\$15,284.89				
10	LICENSED SPACE SET UP - NEW IRONWORK	NRC	1.04	\$19,516.00	\$18,737.00				
11	COLLOCATION INFRASTRUCTURE SET UP	NRC-LOW	1.05	\$24,850.00	\$23,728.25				
12	COLLOCATION INFRASTRUCTURE SET UP	NRC-HIGH	1.02	\$54,388.00	\$53,186.12				4
13	FIBER PLACEMENT/REMOVAL PER CABLE	NRC-LOW	1.22	\$1,112.00	\$910.86				
14	FIBER PLACEMENT/REMOVAL PER CABLE	NRC-HIGH	1.22	\$4,301.00	\$3,536.06				
15	SECURITY ACCESS -- NEW	NRC	1.00	\$8.70	\$8.70				
16	SECURITY ACCESS -- REPLACEMENT	NRC	1.00	\$22.20	\$22.20				5
17	POWER -- PER LIN FT PER 40 AMP	NRC-LOW	1.00	\$4.59	\$4.59				
18	POWER -- PER LIN FT PER 40 AMP	NRC-HIGH	1.00	\$14.55	\$14.55				
19	POWER -- PER 40 AMP	NRC	1.17	\$453.00	\$385.79				
20	POWER -- PER 40 AMP		1.10	\$298.00	\$268.49	1.36	\$213.81		6

1 - Low and high shown for vault/cable space in Appendix C of June 9, 1993 FCC Order are incorrect. Low should have been \$20.00; high \$210.00.

2 - Low shown for floor space in Appendix C is incorrect. Low should have been \$728.00.

3 - The high tariffed rate for floor space is currently \$848.00 (versus \$833.00 at the time Appendix C was published).

4 - The high tariffed rate for infrastructure is currently \$54,388.00 (versus \$52,118.00 at the time Appendix C was published).

5 - Security Access -- Replacement shown in Appendix C is incorrect. Rate should be \$22.20.

6 - Direct cost for DC power shown in Appendix C is incorrect. It excludes direct cost of land and building. Figure should have been \$270.17.

**FCC'S EIS OVERHEAD ANALYSIS  
WITH UPDATED COST FACTORS  
Physical Collocation**

	EIS RATE ELEMENTS		DIRECT COST INCLUDES DIRECT ADMINISTRATION			DIRECT COST EXCLUDES DIRECT ADMINISTRATION			COMMENTS
			RATE TO COST RATIO	RATE	DIRECT COST	RATE TO COST RATIO	DIRECT COST	RATE ADJ FACTOR	
1	CROSS - CONNECT DS1		1.11	\$7.73	\$8.98	1.42	\$5.45		
2	CROSS - CONNECT DS1	NRC	1.22	\$180.00	\$147.25				
3	CROSS - CONNECT DS3		1.11	\$79.83	\$71.94	1.42	\$56.30		
4	CROSS - CONNECT DS3	NRC	1.22	\$180.00	\$147.25				
5	VAULT RACKING AND CABLE RISER SPACE/MO	LOW	1.07	\$20.00	\$18.65	1.19	\$16.77		1
6	VAULT RACKING AND CABLE RISER SPACE/MO	HIGH	1.08	\$210.00	\$194.53	1.28	\$167.33		1
7	CO FLOOR SPACE PER 100 SQ FT	LOW	1.12	\$728.00	\$650.55	1.41	\$517.73		2
8	CO FLOOR SPACE PER 100 SQ FT	HIGH	1.13	\$848.00	\$753.04	1.45	\$586.22		3
9	LICENSED SPACE SET UP - EXIST IRONWORK	NRC	1.05	\$16,084.00	\$15,284.99				
10	LICENSED SPACE SET UP - NEW IRONWORK	NRC	1.04	\$19,516.00	\$18,737.00				
11	COLLOCATION INFRASTRUCTURE SET UP	NRC-LOW	1.05	\$24,950.00	\$23,728.25				
12	COLLOCATION INFRASTRUCTURE SET UP	NRC-HIGH	1.02	\$54,388.00	\$53,166.12				4
13	FIBER PLACEMENT/REMOVAL PER CABLE	NRC-LOW	1.22	\$1,112.00	\$910.66				
14	FIBER PLACEMENT/REMOVAL PER CABLE	NRC-HIGH	1.22	\$4,301.00	\$3,536.06				
15	SECURITY ACCESS -- NEW	NRC	1.00	\$8.70	\$8.70				
16	SECURITY ACCESS -- REPLACEMENT	NRC	1.00	\$22.20	\$22.20				5
17	POWER -- PER LIN FT PER 40 AMP	NRC-LOW	1.00	\$4.59	\$4.59				
18	POWER -- PER LIN FT PER 40 AMP	NRC-HIGH	1.00	\$14.55	\$14.55				
19	POWER -- PER 40 AMP	NRC	1.17	\$453.00	\$385.79				
20	POWER -- PER 40 AMP		1.10	\$296.00	\$268.49	1.38	\$213.81		6

1 - Low and high shown for vault/cable space in Appendix C of June 9, 1993 FCC Order are incorrect. Low should have been \$20.00; high \$210.00.

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**FCC'S EIS OVERHEAD ANALYSIS  
WITH UPDATED COST FACTORS  
Virtual Collocation**

EIS RATE ELEMENTS	DIRECT COST INCLUDES DIRECT ADMINISTRATION			DIRECT COST EXCLUDES DIRECT ADMINISTRATION			COMMENTS
	RATE TO COST RATIO	RATE	DIRECT COST	RATE TO COST RATIO	DIRECT COST	RATE ADJ FACTOR	
1 CROSS - CONNECT DS1	1.11	\$7.73	\$8.96	1.42	\$5.45		
2 CROSS - CONNECT DS1 NRC	1.22	\$180.00	\$147.25				
3 CROSS - CONNECT DS3	1.11	\$79.83	\$71.84	1.42	\$58.30		
4 CROSS - CONNECT DS3 NRC	1.22	\$180.00	\$147.25				
5 EQUIPMENT SPACE - SNFC01	1.08	\$281.00	\$264.78	1.17	\$239.16		
6 EQUIPMENT STORAGE	1.00	\$58.00	\$51.48	1.31	\$42.84		
7 EQUIPMENT BAY	1.10	\$31.00	\$28.21	1.39	\$22.24		
8 EQUIPMENT MAINTENANCE	1.44	\$1.15	\$0.80	11.5	\$0.10		1
9 DC POWER PER 20 AMPS	1.10	\$148.00	\$134.26	1.38	\$106.89		
10 DC POWER PER 20 AMPS NRC	1.17	\$453.00	\$385.79				
11 DC POWER CABLE & SPACE PER FOOT NRC-LOW	1.14	\$0.08	\$0.07	1.45	\$0.055		
12 DC POWER CABLE & SPACE PER FOOT NRC-HIGH	1.12	\$0.28	\$0.25	1.40	\$0.20		
13 FIBER PLACEMENT - ENG & SET UP NRC	1.22	\$1,032.00	\$845.23				
14 FIBER PLACEMENT/REMOVAL - VERTICAL NRC	1.22	\$319.00	\$262.52				
15 FIBER PLACEMENT/REMOVAL - HORIZONTAL NRC	1.21	\$1.59	\$1.31				
16 FIBER MAINTENANCE & SPACE PER FOOT - VAULT	1.08	\$0.53	\$0.49	1.28	\$0.42		
17 FIBER MAINTENANCE & SPACE PER FOOT - RISER	1.13	\$5.40	\$4.80	1.49	\$3.62		
18 FIBER MAINTENANCE & SPACE PER FOOT - RACK	1.12	\$0.74	\$0.66	1.45	\$0.51		
19 CONNECTING CABLE MAINTENANCE & SPACE	1.14	0.04	0.035	1.60	0.025		2

1 - Equipment maintenance costs exclude cost of money, income taxes, and depreciation (this is because the equipment is owned by the collocation customer). For this rate element, total cost for rate setting purposes is comprised of maintenance, direct administration, and overhead. Maintenance is less than 10% of the total of maintenance, direct administration, and overhead. Therefore, when direct administration and overheads are excluded from cost, the rate-to-cost ratio (in this case, rate to maintenance ratio) appears quite high. Excluding cost of money, income taxes, and depreciation from cost of equipment not owned by Pacific Bell will always create a higher rate-to-cost ratio than if these costs are included in the cost base. For this rate element, the overhead loading is not 11.5 times the cost. Overhead is 2.35% of investment (updated cost factor) for all recurring rate elements.

2 - A similar effect occurs for this rate element when direct administration is excluded from direct cost to compute a rate-to-cost ratio. The cable maintenance portion of costs excludes cost of money, income taxes, and depreciation (since the collocation customer owns the fiber cable). Direct cost is therefore lower than it otherwise would be if Pacific Bell owned the cable. This in turn causes any rate-to-direct cost ratios to appear higher than usual.

**FCC'S EIS OVERHEAD ANALYSIS  
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	EIS RATE ELEMENTS	DIRECT COST INCLUDES DIRECT ADMINISTRATION			DIRECT COST EXCLUDES DIRECT ADMINISTRATION			COMMENTS
		RATE TO COST RATIO	RATE	DIRECT COST	RATE TO COST RATIO	DIRECT COST	RATE ADJ FACTOR	
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3	CROSS - CONNECT DS3	1.11	\$79.83	\$71.94	1.42	\$56.30		
4	CROSS - CONNECT DS3	1.22	\$180.00	\$147.25				
5	EQUIPMENT SPACE - SNFC01	1.06	\$281.00	\$284.78	1.17	\$239.16		
6	EQUIPMENT STORAGE	1.09	\$56.00	\$51.48	1.31	\$42.84		
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12	DC POWER CABLE & SPACE PER FOOT	1.12	\$0.28	\$0.25	1.40	\$0.20		
13	FIBER PLACEMENT - ENG & SET UP	1.22	\$1,082.00	\$846.23				
14	FIBER PLACEMENT/REMOVAL - VERTICAL	1.22	\$319.00	\$262.52				
15	FIBER PLACEMENT/REMOVAL - HORIZONTAL	1.21	\$1.59	\$1.31				
16	FIBER MAINTENANCE & SPACE PER FOOT - VAULT	1.08	\$0.53	\$0.49	1.28	\$0.42		
17	FIBER MAINTENANCE & SPACE PER FOOT - RISER	1.13	\$5.40	\$4.80	1.49	\$3.62		
18	FIBER MAINTENANCE & SPACE PER FOOT - RACK	1.12	\$0.74	\$0.66	1.45	\$0.51		
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- 2 - A similar effect occurs for this rate element when direct administration is excluded from direct cost to compute a rate-to-cost ratio. The cable maintenance portion of costs excludes cost of money, income taxes, and depreciation (since the collocation customer owns the fiber cable). Direct cost is therefore lower than it otherwise would be if Pacific Bell owned the cable. This in turn causes any rate-to-direct cost ratios to appear higher than usual.